

# Inclusionary Housing:

What is it and why we should  
we take it seriously?

Chris Glaudel, Deputy CEO



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# IH is retained affordable homes



Queenstown Lakes Community Housing Trust, Suffolk Street



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# Who we are

- ▶ **Community Housing Aotearoa** is a peak body for New Zealand's Community Housing Sector.
- ▶ 85 provider members house approximately 35,000 people nationally across 18,520 homes.
- ▶ 44 partner members include local councils and commercial partners.



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# Isn't the problem the....?

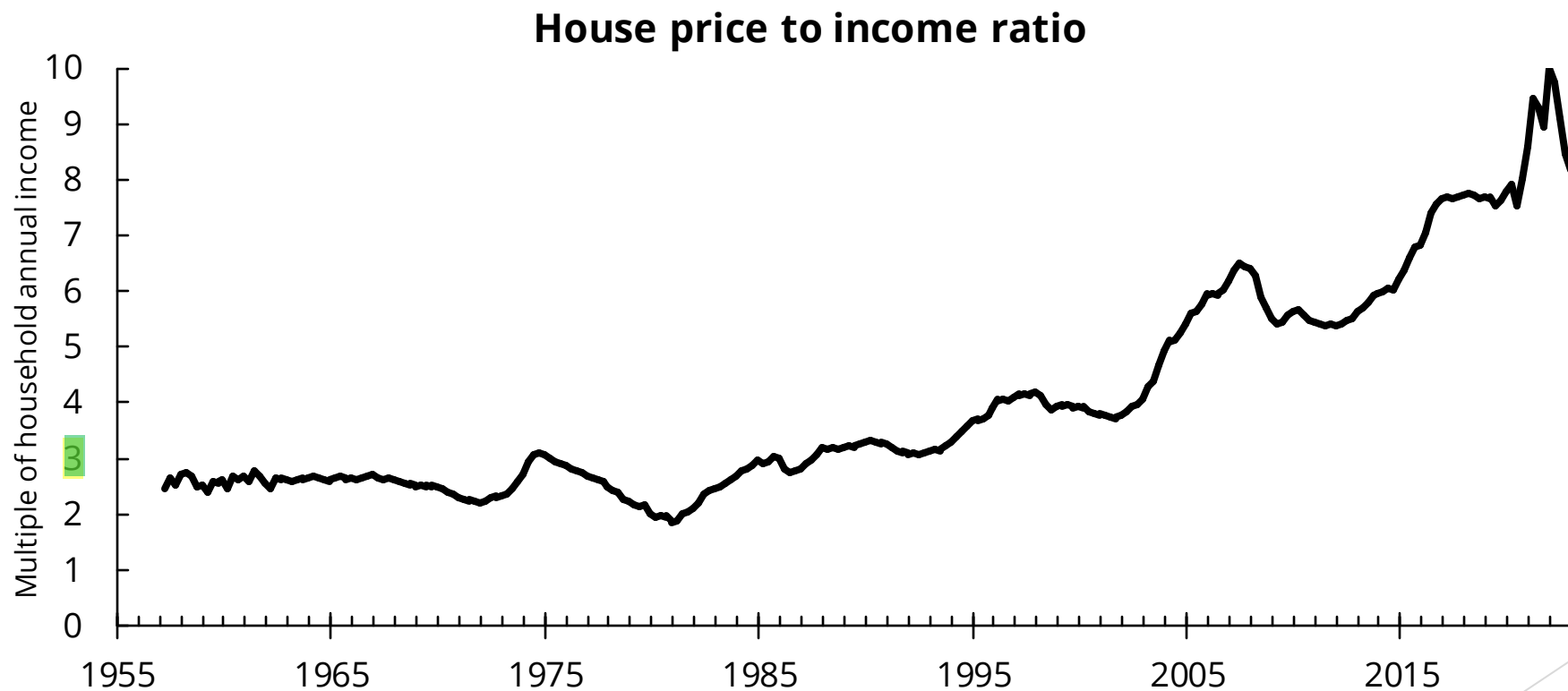
- ▶ Planning and consenting system
- ▶ Lack of labour, skills and productivity in the construction sector
- ▶ Supply chain and building materials constraints
- ▶ Immigration
- ▶ Tax Policy



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# What's the problem? Its affordability.



Sources: Eaqub & Eaqub (2015) "Generation Rent" BWBTexts, updated



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# What is Affordable Housing?



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# What is Affordable Housing?

## ► Housing Affordability - Urban lens

The overall price levels in the market, canvassing all types of housing consumption in the aggregate. Improved affordability means more housing consumption (i.e., quality and size of housing) for the same price or equal levels of housing consumption for a lower price.

## ► Affordable Housing - Housing lens

Individual housing units that are affordable for households with below to median income, and/or individual housing units at below market price (subsidised) made available through some provider, such as central government (Kāinga Ora), local government (councils), or community housing providers (CHPs).



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# New Zealand Experience with IH

- ▶ Queenstown Lakes District Council Plan Change 24
- ▶ Queenstown Lakes Community Housing Trust
- ▶ Housing Accords and Special Housing Areas Act 2013
- ▶ Urban Development Act 2020
- ▶ Government Policy Statement on Housing and Urban Development
- ▶ Lack of certainty inhibiting local authorities



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# Paper 1 - Is there a place for affordable housing planning requirements in NZ?

- ▶ Released in November 2020 is available [here](#).
- ▶ Documented the rapid decline of low-median value homes since the 1990's
- ▶ Reviewed research and evidence on Inclusionary Housing
- ▶ Identified good design principles for Inclusionary Housing to be effective



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# IH provides homes meeting local needs



Queenstown Lakes Community Housing Trust, Toru Apartments



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# Paper 2 - Affordable Housing: Enabling Territorial Authorities Act of 2008

- ▶ Released in June 2021 is available [here](#)
- ▶ Analysed AH:ETA for lessons and concluded its policy framework remains largely applicable
- ▶ AH:ETA repealed prior to implementation



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# Paper 3 Inclusionary Housing: A Path Forward in Aotearoa New Zealand

- ▶ Released in October 2022 is available [here](#)
- ▶ Reviewed Council activities
- ▶ Documented IH is a proven tool internationally
- ▶ Discussed why current approaches will not generate affordable homes
- ▶ Documented financial feasibility
- ▶ Proposed enablement through legislation



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# Paper 3 - IH is effective internationally



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# Design elements of effective IH programmes - Primary Legislation

- ▶ Exemption for land subject to the Te Ture Whenua Act 1993
- ▶ Housing Needs Assessment
- ▶ Housing Strategy
- ▶ Criteria for allocation
- ▶ Processes and mechanisms for land transfer
- ▶ Retention mechanisms ensuring public benefit
- ▶ Enabling both IH and Linkage Zoning approaches
- ▶ Consultation process
- ▶ Requirements to monitor and review



# Design elements of effective IH programmes - Secondary Legislation

- ▶ Housing Needs Assessment details
- ▶ Housing Market Area definitions
- ▶ Definitions of Affordability and Measurement Tools
- ▶ Specifics of the land/contributions process
- ▶ Timing of implementation
- ▶ Specifics of the retention mechanisms
- ▶ Specifics of the monitoring and review process



# Evidence on Land Supply and Markets

- ▶ Land supply and land markets
- ▶ UK research
- ▶ NZ research



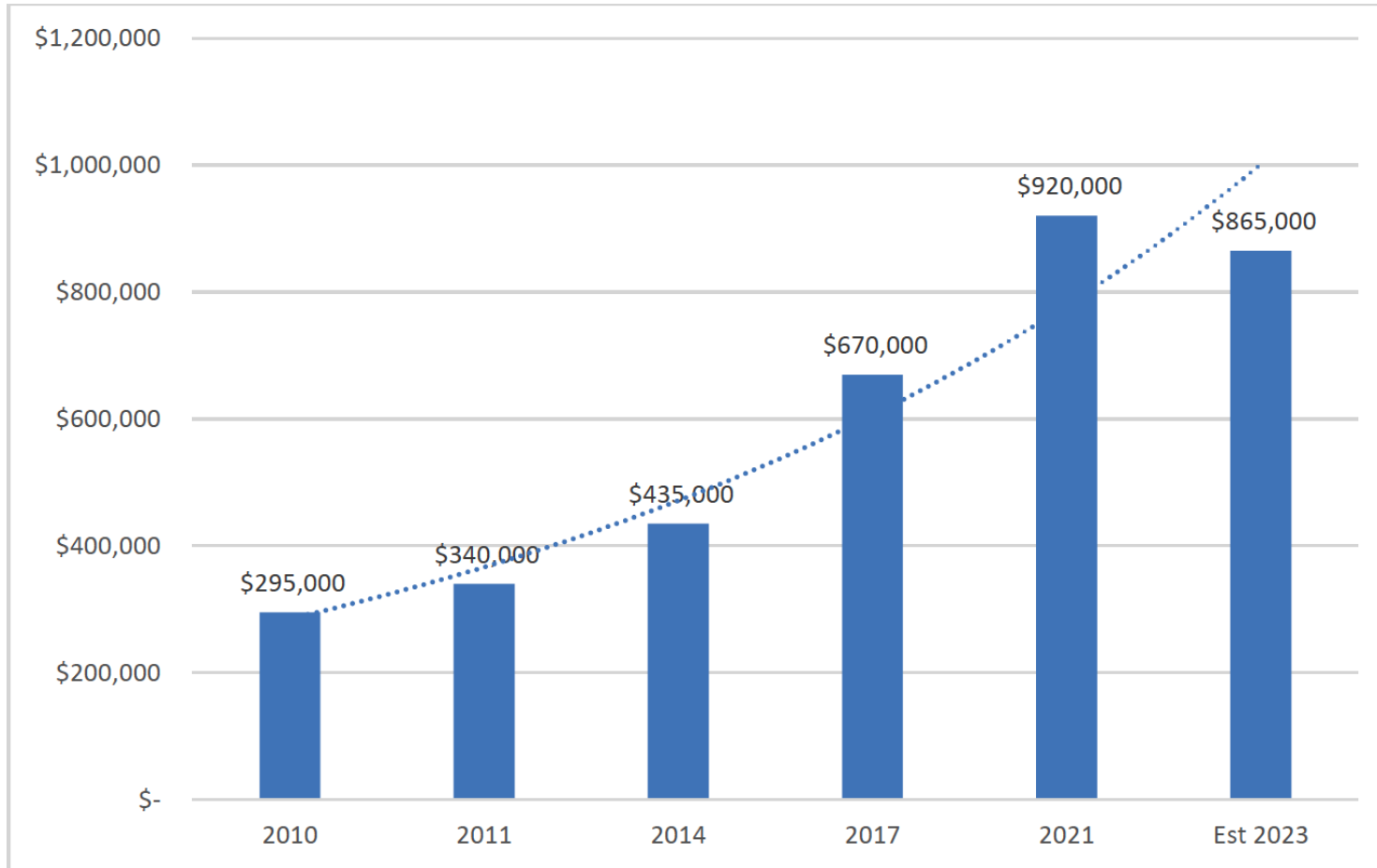
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# Importance of Retention

**Figure 3.1 The Starter Home Sale Prices (2010 and 2011), Valuations (2014-2021) and Estimated Market Price (2023)**



[Build Costs, Prices and Affordable House Retention: A case study of the Starter Home](#)  
(Dr. Kay Saville-Smith, CRESA, June 2023)

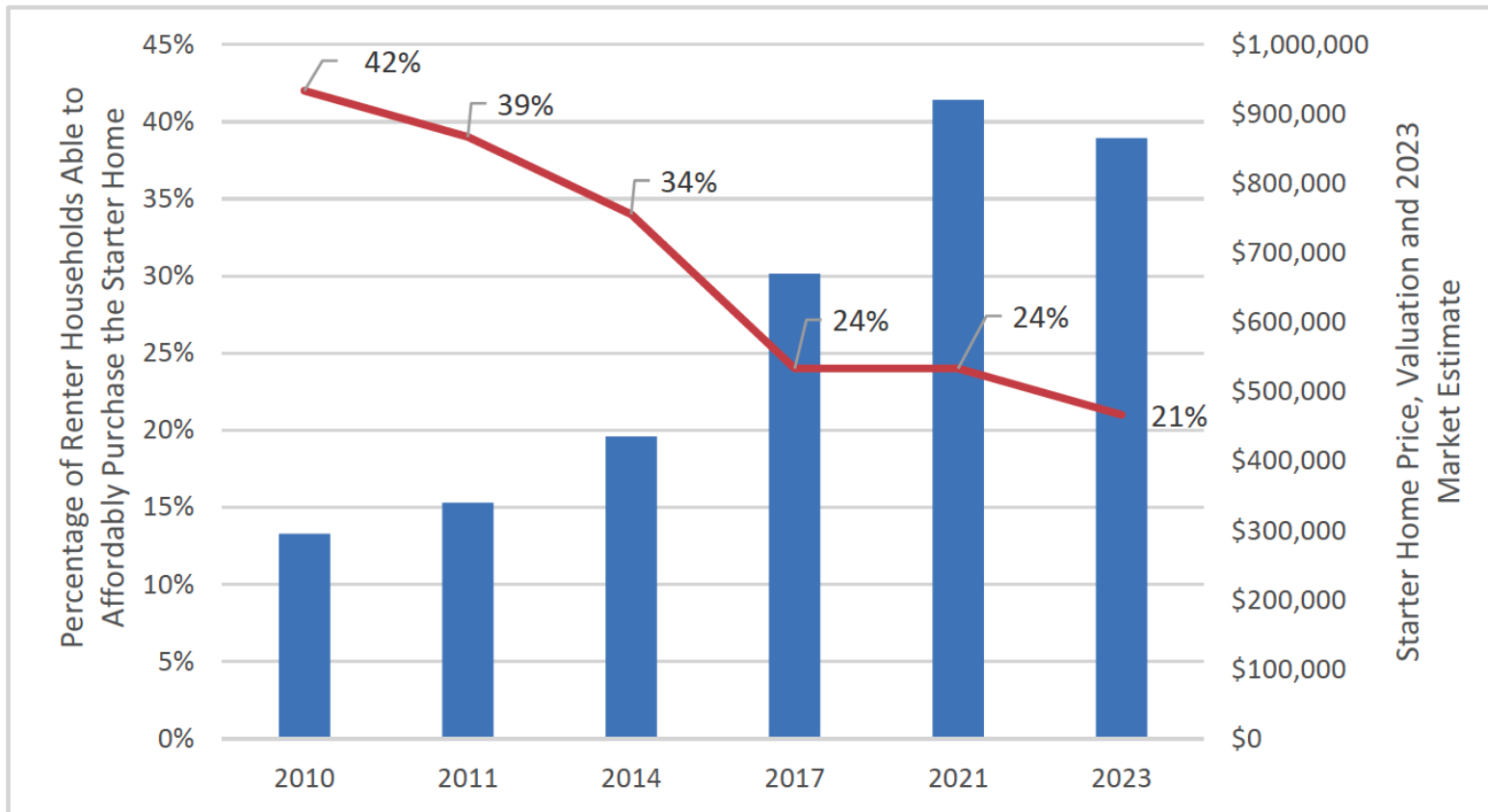


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# Importance of Retention

Figure 4.1 Proportion of Renter Households in Otara-Papatoetoe Local Board Area Affordably Able to Purchase the Starter Home 2010-2023 (NZ Census, Reserve Bank, Prepared by Ian Mitchell, Livingston Associates Ltd)



[Build Costs, Prices and Affordable House Retention: A case study of the Starter Home](#)  
(Dr. Kay Saville-Smith, CRESA, June 2023)



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# Summary

- ▶ We need every tool available
- ▶ IH is proven effective both internationally and domestically
- ▶ Local authorities are strongly supportive of IH
- ▶ Local communities have demonstrated strong support
- ▶ If not this, then what?
- ▶ If not now, when?



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# Additional Links

- ▶ QLDC draft proposed District Plan [Inclusionary Housing](#) info
- ▶ Waipa DC proposed District Plan [Inclusionary Housing](#) info
- ▶ Waikato Affordable Housing: [Issues and Options](#) paper prepared by Hill Young Cooper Ltd.
- ▶ Wellington City Council [Section 32 Evaluation Report](#) on Assisted Housing



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Questions and discussion



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[www.communityhousing.org.nz](http://www.communityhousing.org.nz)